

THE HONORABLE JAMES L. ROBERT

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
SEATTLE DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

vs.

PATH AMERICA, LLC, et al.,

Defendants and Relief Defendants.

Civil Action No. C-15-1350-JLR

~~[PROPOSED]~~ FINAL JUDGMENT
AS TO DEFENDANT PATH
AMERICA, LLC



[PROPOSED] FINAL JUDGMENT AS TO DEF.
PATH AMERICA, LLC
CASE NO. C-15-1350-JLR

SECURITIES AND EXCHANGE COMMISSION
44 MONTGOMERY STREET, SUITE 2800
SAN FRANCISCO, CALIFORNIA 94104
(415) 705-2500

1 The Securities and Exchange Commission ("SEC" or "Commission") having filed a
2 Complaint, and Defendant Path America, LLC, by and through Michael A. Grassmuck, the Court-
3 appointed Receiver for Defendant, having entered a general appearance; consented to the Court's
4 jurisdiction over Defendant and over the subject matter of this action; consented to entry of this Final
5 Judgment without admitting or denying the allegations of the Complaint (except as to jurisdiction);
6 waived findings of fact and conclusions of law; and waived any right to appeal from this Final
7 Judgment:

8 I.

9 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendant Path America,
10 LLC is permanently restrained and enjoined from violating, directly or indirectly, Section 10(b) of
11 the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. § 78j(b) and Rule 10b-5
12 thereunder, 17 C.F.R. § 240.10b-5, by using any means or instrumentality of interstate commerce, or
13 of the mails, or of any facility of any national securities exchange, in connection with the purchase
14 or sale of any security:

15 (a) to employ any device, scheme, or artifice to defraud;

16 (b) to make any untrue statement of a material fact or to omit to state a material fact
17 necessary in order to make the statements made, in the light of the circumstances under
18 which they were made, not misleading; or

19 (c) to engage in any act, practice, or course of business which operates or would operate
20 as a fraud or deceit upon any person.

21 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal
22 Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive
23 actual notice of this Final Judgment by personal service or otherwise: (a) Defendant Path America,
24 LLC's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or
25 participation with Defendant, or with anyone described in (a).

26 II.

27 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Path America,
28 LLC is permanently restrained and enjoined from violating Section 17(a) of the Securities Act of

1 1933 (the "Securities Act"), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any
2 means or instruments of transportation or communication in interstate commerce, or by use of the
3 mails, directly or indirectly:

4 (a) to employ any device, scheme, or artifice to defraud;

5 (b) to obtain money or property by means of any untrue statement of a material fact or
6 any omission of a material fact necessary in order to make the statements made, in light of
7 the circumstances under which they were made, not misleading; or

8 (c) to engage in any transaction, practice, or course of business which operates or would
9 operate as a fraud or deceit upon the purchaser.

10 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal
11 Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive
12 actual notice of this Final Judgment by personal service or otherwise: (a) Defendant Path America,
13 LLC's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or
14 participation with Defendant, or with anyone described in (a).

15 III.

16 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Path America,
17 LLC is permanently restrained and enjoined from soliciting, directly or indirectly, any person or
18 entity to purchase or sell any security, and from participating, directly or indirectly, in the issuance,
19 offer, or sale of any security of any entity controlled by, or under joint control with, Defendant.

20 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal
21 Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive
22 actual notice of this Final Judgment by personal service or otherwise: (a) Defendant Path America,
23 LLC's officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or
24 participation with Defendant, or with anyone described in (a).

25 IV.

26 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent of Defendant
27 Path America, LLC is incorporated herein with the same force and effect as if fully set forth herein,
28 and that Defendant shall comply with all of the undertakings and agreements set forth therein.

V.

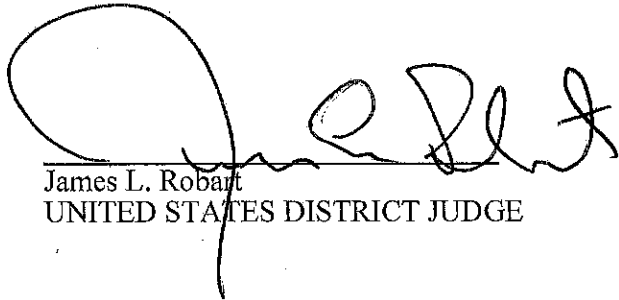
IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

VI.

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

IT IS SO ORDERED.

Dated: 12 July 2019



James L. Robart
UNITED STATES DISTRICT JUDGE